

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Indigo Financial Group, Inc.  
D/B/A/ Mortgage Planners of America  
2419 Sundance Ridge  
Howell, Michigan 48843,

Enforcement Case No. 11-11146

License/Registration No.:

FL-0015237 / SR-0015274,

Respondent.

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CONSENT ORDER ACCEPTING SURRENDER OF FIRST MORTGAGE LICENSE AND  
SECONDARY MORTGAGE REGISTRATION AND REQUIRING REFUNDS

Issued and Entered,  
This 5<sup>th</sup> day of JANUARY, 2012,  
By Stephen R. Hilke,  
Chief Deputy Commissioner

Based upon the Stipulation to Entry of Consent Order, incorporated herein, and the files and records of the Office of Financial and Insurance Regulation ("OFIR") in this matter, the Commissioner FINDS and CONCLUDES that:

1. The Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the Secondary Mortgage Loan Act ("SMLA"), 1981 PA 125, MCL 493.51 *et seq.*

2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.

3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.

4. All applicable provisions of MAPA have been met.

5. Notwithstanding that Indigo Financial Group, Inc. ("Respondent") does not admit the violations alleged in this matter, for purposes of this order, Respondent violated MCL 445.1652(5), MCL 445.1671(1)-(2), MCL 493.68(1), MCL 445.1672(a)-(b), MCL 493.75, MCL 445.1673(1) and MCL 493.72(1)(c).

**NOW, THEREFORE**, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, **IT IS ORDERED THAT:**

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby **ACCEPTED**.

2. Respondent shall **CEASE** and **DESIST** from violating MCL 445.1652(5), MCL 445.1671(1)-(2), MCL 493.68(1), MCL 445.1672(a)-(b), MCL 493.75, MCL 445.1673(1) and MCL 493.72(1)(c).

3. Respondent shall make refunds totaling \$614.04 to those loan applicants, referred to in paragraph 9.e. of the Stipulation, who were charged fees in excess of what is permitted under the MBLSLA and SMLA. Respondent shall make the refunds within 90 days of the issuance and entry of this Order. Within 90 days of the issuance and entry of this Order, Respondent shall submit a list including the name of each loan applicant due a refund, the amount of the refund, the check number of the refund, and a copy of the cancelled refund check. In the event that a cancelled refund check cannot be provided, Respondent shall provide an explanation detailing its attempts to make the refund and why the refund was not made.

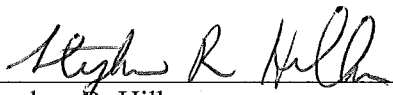
4. Respondent or any wholly or partially-owned subsidiary, any affiliated company, or any company related by common owner, officer, or director, or Respondent's sole officer, director, and shareholder, Michael Szafranski, individually, shall not make application to the commissioner for licensure under the MBLSLA; SMLA; the Consumer Financial Services Act,

1988 PA 161, as amended, MCL 487.2051 *et seq.*; or the Mortgage Loan Originator Licensing Act, MCL 493.131 *et seq.*, for a period of 3 years from the date of issuance and entry of this Order.

5. The surrender of Respondent's first mortgage license and secondary mortgage registration are hereby accepted.

3. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA and SMLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Consent Order and this Order, may result in the commencement of additional proceedings.

**IT IS SO ORDERED.**

  
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Stephen R. Hilker,  
Chief Deputy Commissioner



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STIPULATION TO ENTRY OF CONSENT ORDER  
ACCEPTING SURRENDER OF FIRST MORTGAGE LICENSE AND SECONDARY  
MORTGAGE REGISTRATION AND REQUIRING REFUNDS

Indigo Financial Group, Inc. ("Respondent") and the Office of Financial and Insurance Regulation ("OFIR") hereby stipulate and agree to the following:

1. OFIR staff ("Staff") conducted an examination of Respondent's books and records commencing on November 14, 2008, pursuant to Section 11(2)(c) of the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), MCL 445.1661(2)(c), and Section 6b(2)(b) of the Secondary Mortgage Loan Act ("SMLA"), MCL 493.56b(2)(2). The examination concluded on January 26, 2009.
2. On or about December 4, 2009, a Notice of Opportunity to Show Compliance ("NOSC") was issued by OFIR to Respondent in the above-entitled matter pursuant to the provisions of the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, the MBLSLA, 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the SMLA, 1981 PA 125, as amended, MCL 493.51 *et seq.*
3. The NOSC contained allegations that Respondent violated the MBLSLA and SMLA and set forth the applicable laws and penalties which could be taken against Respondent.

4. Respondent exercised its opportunity to show compliance on or about December 30, 2009, by submitting a written response to the allegations and indicating that it had ceased operations. On January 1, 2010, Respondent's first mortgage license and secondary mortgage registration were not renewed and became inactive.

5. On January 19, 2011, OFIR served upon Respondent a Notice of Intent to Revoke First Mortgage License and Secondary Mortgage Registration ("NOIR").

6. Thereafter, OFIR and Respondent conferred for purposes of resolving this matter and determined to settle this matter pursuant to the terms set forth below.

7. The Commissioner of OFIR ("Commissioner") has jurisdiction and authority to adopt and issue this Consent Order pursuant to the MAPA, the MBLSLA, and the SMLA.

8. At all pertinent times, Respondent was licensed with OFIR as a mortgage broker and lender pursuant to the MBLSLA, and registered with OFIR as a secondary mortgage broker and lender pursuant to the SMLA.

9. Based upon the allegations set forth in the NOSC, NOIR and communications with Respondent, the following facts were alleged:

- a. Respondent engaged and paid compensation to nine independent and unlicensed mortgage brokers, in violation of MCL 445.1652(5).
- b. Respondent failed to maintain and preserve each mortgage loan document in its possession or control for examination by the commissioner, in violation of MCL 445.1671(1)-(2) and MCL 493.68(1).
- c. Respondent failed to comply with applicable law, in violation of MCL 445.1672(a) and MCL 493.75.
- d. One of Respondent's employees engaged in fraud, deceit, or material misrepresentation in connection with one mortgage loan subject to the MBLSLA. Respondent is responsible for the acts and omissions of its employees and, therefore, violated MCL 445.1672(b).
- e. Respondent charged thirty loan applicants a fee that was in excess of that permitted by the MBLSLA or SMLA. Therefore, Respondent violated MCL 445.1673 and MCL 493.72(1)(c).

10. Without admitting the allegations contained in paragraph 9, in the interest of

resolving this matter without incurring additional litigation time and expense, and without admitting or denying any wrongdoing, Respondent has agreed to enter into this Stipulation and to the entry of the Consent Order. Further, Respondent agrees to CEASE and DESIST from any and all of the violations alleged in paragraph 9.

11. Respondent agrees to pay refunds, totaling \$614.04, to those loan applicants, referred to in paragraph 9.e. above, who were charged fees in excess of what is permitted under the MBLSLA and SMLA. Respondent agrees to make the refunds within 90 days of the issuance and entry of an Order by the Commissioner ordering the terms of this stipulation. To support that refunds have been made, Respondent agrees to submit a list including the name of each loan applicant due a refund, the amount of the refund, the check number of the refund, and a copy of the cancelled refund check. In the event that a cancelled refund check cannot be provided, Respondent agrees to provide an explanation detailing its attempts to make the refund and why the refund was not made.

12. In exchange for the acceptance of the surrender of its first mortgage license and secondary mortgage registration, Respondent agrees that Respondent, any wholly or partially-owned subsidiary, any affiliated company, or any company related by common owner, officer, or director, or Respondent's sole officer, director, and shareholder, Michael Szafranski, individually, shall not make application to the commissioner for licensure under the MBLSLA; SMLA; the Consumer Financial Services Act, 1988 PA 161, as amended, MCL 487.2051 *et seq.*; or the Mortgage Loan Originator Licensing Act, MCL 493.131 *et seq.*, for a period of 3 years from the date the issuance and entry of an order by the Commissioner ordering the terms of this stipulation.

13. The procedural requirements of the MAPA, the MBLSLA, and the SMLA have been complied with in all respects by both parties.

14. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the

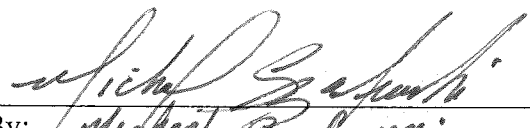
Commissioner holding a formal administrative hearing and making his decision after such hearing.

15. The failure to abide by and fully comply with the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative compliance actions.

16. The Commissioner has jurisdiction and authority under the provisions of the MAPA, the MBLSLA, and the SMLA to accept this Stipulation to the Entry of Consent Order and to issue a Consent Order resolving these proceedings.


17. Respondent has had an opportunity to review this Stipulation and the accompanying Consent Order and have same reviewed by legal counsel.

INDIGO FINANCIAL GROUP INC. D/B/A  
MORTGAGE PLANNERS OF AMERICA

  
By: Michael Brafranski  
Its: Former President

December 29, 2011  
Dated

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

  
By: SCOTT BASEL  
OFFICE OF GENERAL COUNSEL

1-4-12  
Dated